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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

March 15, 1996



Mr. William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

Re: Telecommunications Services Inside Wiring, Customer Premises Equipment
CS Docket No. 95-184

Dear Mr. Caton:

DOCKET FILE COPY ORIGINAL

This letter is submitted in response to the Commission's Notice of Proposed Rulemaking dated January 26, 1996. Four copies of this letter are enclosed.

The National Housing Partnership

The National Housing Partnership was created pursuant to Title IX of the Housing and Urban Development Act of 1968, to operate for profit while encouraging "maximum participation by private investors in programs and projects to provide low and moderate income housing." Today, NHP owns over 125,000 units and manages over 130,000 units of multifamily housing located throughout the United States. This portfolio is equally divided between market rate apartments and apartments assisted by the Department of Housing and Urban Development.

NHP's Concerns Relate to Cable and Satellite Television Services

NHP's concerns relate not to telecommunication services generally but to the specific context of cable and satellite television service. By contrast to telephone services (which are delivered through a switched network that allows multiple service providers to share inside wiring), cable and satellite television services are delivered via dedicated inside wiring through which only one service provider's signal can be carried. It is both unwise and impractical to grant a right of physical access to apartment properties to all cable and satellite television service providers, because:

- It is rarely practical to install multiple sets of inside wiring.
- Owners have a compelling interest in making sure that inside wiring installation is done in a way that does not negatively impact the appearance of the property, its operating costs, or its residents.
- Owners have a similarly compelling interest in bringing to the property the combination of telecommunications services that, in the owner's judgment, best fits the needs of the building and its residents.

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Accordingly, NHP views the proposed rule with some alarm, in that it appears to create a right of physical access that we believe is inconsistent both with the legitimate rights of ownership and with the physical reality of apartment properties. To reiterate, our objection is not against customers having electronic access to competing providers over existing inside wiring. Rather, we object to the proposed restriction of our rights as property owners to control the physical maintenance, appearance and configuration of our properties.

NHP believes that the Commission has not given sufficient attention to the property rights issues raised by the proposed rulemaking. NHP therefore encourages the Commission to reject the proposed right of physical access by service providers and to seek alternative approaches.

The Commission Should Rely On Market Forces

The apartment business is highly competitive. Properties with superior telecommunications facilities have a distinct marketing advantage, particularly as more and more residents acquire personal computers, home theater systems, and other advanced telecommunications products. NHP encourages the Commission to investigate ways to enhance existing market forces, for example by creating additional incentives for property owners to install advanced telecommunications inside wiring systems capable of carrying multiple providers' signals.

The proposed rule clearly will reduce incentives for owners to install or upgrade inside wiring because the rule eliminates the owner's ability to negotiate with individual service providers. Similarly, under the proposed rule, service providers would have no incentive to upgrade inside wiring to carry multiple providers' signals, because the benefit of the upgraded system would accrue solely to the installing provider's competitors.

NHP shares the Commission's desire for a future telecommunications system that allows apartment residents to select among competing providers electronically. However, we believe that the best way to encourage this is through the market. As advanced inside wiring systems are developed that will support multiple cable TV competitors, property owners will have an incentive to install them, so as to gain a marketing advantage over competing properties. The Commission could take steps to enhance this existing market mechanism. NHP would welcome the opportunity to work with the Commission toward that end.

Physical Access Control Is Essential: Illustrative Anecdotes

One cable TV provider ran wiring through a firewall, thereby threatening the safety of residents. Because we had a carefully negotiated contract, we were able to recover damages sufficient to correct the problem.

At the request of a resident and without contacting the property owner, a cable TV provider installed an extra outlet, by stringing cable across the front of the apartment building. In addition, the provider drilled a hole through newly installed vinyl siding.

Not only was the installation unsightly -- affecting the marketability of the property -- it created a structural defect by allowing rainwater into the wall cavity. Again, because of our carefully negotiated agreement, we were able to require the cable TV provider to restore the property to its prior condition and to make the installation in an acceptable manner.

In each of these instances, our right as owner to control the physical attributes of the property was an important factor in our ability to achieve a workable solution.

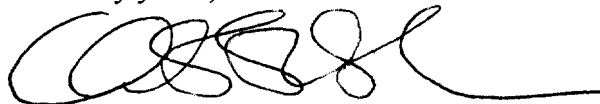
Customer Access to Wiring

In general, apartment leases permit the resident to make physical modifications to the leased premises only with the consent of the property owner. This is an area governed by state and local landlord/tenant law, and we believe that these state and local laws should continue to be the vehicles for regulating this issue. If the Commission decides to impose regulations in this area, NHP encourages the Commission to provide for basic owner prerogatives: the owner's ability to reasonably require an appropriate quality of installation (including type and placement of wiring); and the owner's control of areas outside the resident's leased premises.

Conclusion

NHP believes that the value of our properties will be enhanced if residents have access to a wide variety of competitively priced telecommunications services. NHP will respond favorably to market incentives, but we oppose the propose rule. We therefore encourage the Commission to design regulatory structures that will facilitate the type of future telecommunications systems that both the Commission and NHP want to encourage. If additional information would be helpful, please feel free to contact me. My direct telephone number is (202) 326-8014.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'CSW', with a long horizontal line extending to the right.

Charles S. Wilkins, Jr.
Senior Vice President

4 copies enclosed